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MEMORANDUM FOR: Director of Central Intelligence

THRU: Deputy Director of Central Intelligence
Deputy Director (Administration)

SUBJECT: Depletion of the Director's Ceiling Reserve

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By:

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1. PROBLEM:

How can the Agency best meet the continuing need for a reservoir of civilian ceiling positions in the face of a diminishing Director's Ceiling Reserve?

2. FACTS BEARING ON THE PROBLEM:

a. The Agency civilian ceiling as of 31 August 1954 was , excluding the Director's Reserve. Total civilians on duty against

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25X9A2 this ceiling amounted to , leaving unused ceiling slots.

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These unused ceiling slots are distributed in a reasonably equitable fashion among the six major Agency components.

b. Tab A presents the relationship between civilian ceilings and civilians on duty subject to ceiling for eleven recent months. During these eleven months, ceiling has increased slightly while the number of employees on duty has declined a little. However, the gap between ceiling and number of persons on duty appears fairly constant and, because of the perpetual attrition and recruitment problems, it appears that this gap will not be closed appreciably under present conditions.

c. An examination of Agency attrition versus replenishment indicates that the Office of Personnel is recruiting and processing at a rate which approximates attrition. This conclusion is also evidenced in Tab A.

- d. The Agency's FY 1955 operating budget provides for a total average employment under ceiling of []; and our FY 1956 budget contemplates [] These figures include an average employment of 60 for the Interim Assignment Branch of the Office of Personnel.
- e. Ceiling increases have been accomplished in the past primarily through two devices: (1) Withdrawals from the Director's Reserve and (2) An increase in the Agency ceiling without reference to the Director's Reserve.
- f. As of 5 October 1954 there were two positions in the Director's Reserve with no known commitments against them.

3. DISCUSSION:

- a. A comparison of the number on duty under ceiling on 31 August 1954 [] with the FY 1955 average employment budgeted for [] indicates that the Agency has an average employment growth margin of 105 for the current fiscal year.

- b. The 31 August ceiling of [] offers a potential for growth beyond existing budgetary provisions. However, Agency experience during the past year indicates a plateau situation with reference to number of employees on duty. In addition, the Office of Personnel is in position to observe and control factors influencing Agency strength. Thus, in filling up to our budgeted strength, it makes little practical difference as to whether we absorb unused ceiling or add ceiling for this purpose. With a ceiling of [] in excess of budgeted average employment, the best immediate controls over the number of employees on duty exist in the Office of Personnel.

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c. The following methods of coping with ^{the}/diminishing ceiling reserves have been considered:

- (1) Eliminating the ceiling reserve as such, thereby requiring major components to live within existing ceilings.
- (2) Recapturing all or a part of unused ceiling for replenishment of the reserve.
- (3) Recapturing ceiling allocated to casuals such as those in the Interim Assignment Branch, Junior Officer Trainees, and those on leave without pay in order to reconstitute the reserve.
- (4) Replenishing the ceiling reserve and continuing the present system. *The choice of (1) above is a possibility under any set of circumstances and could be done in combination with (2) or (3). Its use exclusively would deny the existence of an obvious need for an Agency reserve to accommodate small contingency type ceiling increases.*

Utilization of method (2) above would offer all of the advantages of (1) in that both methods assume the utilization of unused ceiling. The use of method (2) would be contrary to the existing policy of having T/O's match ceilings.

Method (3), in effect, is simply an accounting transaction. It would serve to reduce the Agency's ceiling *arithmetically* automatically but it would offer the disadvantage of removing from ceiling control certain employees now subject to ceiling.

Method (4) offers the opportunity to solve the problem with least disruption to the present system. It would result

in gradual additions to the present Agency ceiling as the reserve is used. The governing factor is the number of employees on duty as related to the budget, and this situation requires closer control than the ceiling. Thus, method (4) appears to be the desirable choice because of ease of immediate application.

- d. The Director's Reserve has been used generally to satisfy the smaller ceiling increases while larger increases have been accomplished through increases in the Agency's ceiling without reference to the Reserve. The larger increases obviously should be approved by the Director. However, it does not appear necessary to burden the Director with formal requests for withdrawal from the Director's Reserve. The Director could still maintain control over the Agency's ceiling by granting to the DD/A a specified reserve allocation to be approved by the DD/A for use as needed until exhausted.

4. CONCLUSIONS:

- a. The consistent relationship between Agency ceiling and employees on duty under ceiling indicates that approximately of the total Agency ceiling will remain unused under present circumstances.
- b. The most desirable immediate solution to the problem is through replenishment of the ceiling reserve and continuance, for the present, of the existing system.
- c. Based upon past performance, one hundred ceiling positions in a reserve may be expected to last at least one year.

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- d. Funds are available to tolerate the gradual resultant ceiling increase provided the Office of Personnel continues present personnel replenishment and recruitment practices.
- e. The Director should allocate to the DD/A one hundred ceiling positions for satisfying small ceiling increases. This would eliminate the numerically extinct Director's Ceiling Reserve and reconstitute an Agency Ceiling Reserve under the DD/A.

5. RECOMMENDATIONS:

It is recommended that the Director's Ceiling Reserve be eliminated in favor of a reconstituted Agency Ceiling Reserve of one hundred to be administered by the DD/A until exhausted.

Chief, Management Staff

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APPROVED:

Date: _____

Director of Central Intelligence

ceiling reserve for DD/A office

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